

denial described above. Any person whose interest may be affected by this proceeding may file a written petition for leave to intervene.

A request for hearing or petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC by the above date.

A copy of any petitions should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to John Flynn, Esq., Detroit Edison Company, 2000 Second Avenue, Detroit, Michigan 48266, attorney for the licensee.

For further details with respect to this action, see (1) the application for amendment dated September 13, 1993, as supplemented July 26, 1994, and (2) the Commission's letter to the licensee dated May 23, 1995.

These documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48160. A copy of item (2) may be obtained upon written request addressed to the U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Document Control Desk.

Dated at Rockville, Maryland, this 23rd day of May 1995.

For the Nuclear Regulatory Commission,
Timothy G. Colburn, Sr.,
*Project Manager, Project Directorate III-I,
Division of Reactor Projects—III/IV, Office of
Nuclear Reactor Regulation.*

[FR Doc. 95-13500 Filed 6-1-95; 8:45 am]

BILLING CODE 7590-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35774; File No. SR-NASD-95-24]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing of Proposed Rule Change Regarding Depository Eligibility Requirements

May 26, 1995.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on

May 19, 1995, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by the NASD. The Commission is publishing this notice to solicit comments from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The NASD proposes to amend Part II, Section 1(c) of Schedule D to the NASD By-laws ("By-laws") to establish depository eligibility requirements for issuers that desire to have their securities included in the Nasdaq Stock Market ("Nasdaq").

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Under the proposed rule change, the NASD will adopt a uniform depository eligibility rule for issuers that desire to have their securities eligible for inclusion in Nasdaq. The uniform rule has been developed by the Legal and Regulatory Subgroup of the U.S. Working Committee of the Group of Thirty in coordination with each of the national securities exchanges and the NASD. It is anticipated that each national securities exchange in addition to the NASD will file rule changes proposing adoption of depository eligibility standards substantially similar to the NASD's proposed rule³

² The Commission has modified the language in these sections.

³ In addition to the listing requirement contained in Schedule D to the By-laws, the NASD is proposing to amend the definition of "depository eligibility" contained in its book-entry settlement rule contained in Section 11 of the NASD Uniform Practice Code consistent with the amendment to Schedule D. Section 11 must be amended because the NASD's depository settlement rule applies to all NASD members regardless of where the securities

and will seek to make such changes effective contemporaneously with the effective date of the transition from a five-day ("T+5") to a three-day ("T+3") settlement cycle. The transition is set to occur June 7, 1995.⁴

The proposed rule change will require that before any issue of securities of a domestic issuer (excluding securities of a Canadian issuer) is eligible for inclusion in Nasdaq, such issue of securities must have a CUSIP number that is included in the file of eligible issues maintained by a securities depository registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934.⁵

While the NASD believes that depository eligibility should be universal and that few exemptions be granted, the proposed rule change will not apply to a security if the terms of such security cannot be reasonably modified to meet the criteria for depository eligibility at all securities depositories. The exemption authority is intended to address the situation where a Nasdaq company issues short-term warrants and other similar short-term securities that are not generally depository eligible. The NASD does not believe that the issuers of such securities should be required to obtain individual exceptions from the proposed new listing requirement in order to permit those securities to be listed during their short life span. However, an exemption is not intended to be available in instances where the issuer could meet the depository eligibility requirements but chooses not to do so or has not left enough time prior to the offering to do so.

The proposed rule change sets forth additional requirements that must be met before a security will be deemed to be "depository eligible," as such term is used in Part II, Section 1(c) of Schedule D to the By-laws and Section 11 of the NASD Uniform Practice Code ("UPC").⁶ The proposed rule specifies different requirements for depository eligibility depending upon whether a new issue is distributed by an underwriting syndicate before or after the date a securities depository system is available for monitoring repurchases of the

are listed. In comparison, the depository settlement rule of the exchanges only applies to transactions in the securities listed on the exchange.

⁴ Securities Exchange Act Release Nos. 33023 (October 6, 1993), 58 FR 52891 (adoption of Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (change of effective date of Rule 15c6-1 from June 1, 1995 to June 7, 1995).

⁵ U.S.C. 78q-1 (1988).

⁶ Pursuant to section 11 of the UPC, trades by a member in depository eligible securities generally must be settled by book-entry through a securities depository.

¹ 15 U.S.C. 78s(b)(1) (1988).

distributed shares by syndicate members ("flipping tracking system").

Currently, a flipping tracking system is being developed that will include a securities depository service that (i) can be activated upon the request of the managing underwriter for a period of time that the managing underwriter specifies, (ii) in certain circumstances, will require the delivering participant to provide to the depository information sufficient to identify the seller of such shares as a precondition to the processing of book-entry delivery instructions for distributed shares, and (iii) will report to the managing underwriter the identity of any other syndicate member or selling group member whose customer(s) sold distributed shares (but will not report to the managing underwriter the identity of such customer[s]), and in certain circumstances, will report to such syndicate member or selling group member the identity of such customer(s). Prior to the availability of a flipping tracking system, the managing underwriter may delay the date a security is deemed "depository eligible" for up to three months after trading has commenced in the security. After the availability of a flipping tracking system, a new issue will be deemed to be depository eligible upon commencement of trading on Nasdaq.

The NASD believes that the proposed rule change is consistent with the provisions of section 15A(b)(6) of the Act⁷ in that the proposed rule change is designed to encourage book-entry settlement of transactions by requiring that securities included in Nasdaq and listed on the national securities exchanges be depository eligible thereby reducing the risks to the financial markets and investors associated with physical delivery, clearance, and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the NASD consents, the Commission will:

- (a) By order approve such proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

The NASD has requested accelerated approval of the proposed rule change in order that the rule can become effective on June 7, 1995.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number SR-NASD-95-24 and should be submitted by June 23, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-13532 Filed 6-1-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35769; File No. SR-NASD-95-11]

Self-Regulatory Organizations; the National Association of Securities Dealers, Inc.; Order Granting Accelerated Approval of Proposed Rule Change Relating to Requiring the Use of the Facilities of a Registered Clearing Agency for the Clearance of Transactions in Corporate Debt Securities

May 25, 1995.

On April 10, 1995, the National Association of Securities Dealers, Inc. ("NASD") filed a proposed rule change (File No. SR-NASD-95-11) with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on May 1, 1995, to solicit comments from interested persons.² No comments were received. As discussed below, the Commission is approving the proposed rule change on an accelerated basis.

I. Description

The NASD is amending its Uniform Practice Code ("UPC") to include a new Section 72 that requires each NASD member or its agent that is a participant in a registered clearing agency to use the facilities of a clearing agency to clear eligible transactions in corporate debt securities. Section 72 also provides that the NASD may exempt any transaction or class of transactions in corporate debt securities from the provisions of the rule as may be necessary to accommodate special circumstances related to the clearance of such transactions or class of transactions.³

According to the NASD, approximately thirty percent of all transactions in corporate bonds are being compared, cleared, and settled without using the facilities of a registered clearing agency (*i.e.*, settled broker-to-broker or ex-clearing). Clearing such transactions broker-to-

¹ 15 U.S.C. 78s(b) (1988).

² Securities Exchange Act Release No. 35642 (April 24, 1995), 60 FR 21226.

³ The NASD anticipates that this provision will be used only in the event special pricing and processing problems related to particular corporate debt securities make using the facilities of a registered clearing agency difficult or impossible and when these problems outweigh the benefits of using the facilities of a registered clearing agency. For example, the NASD considered mandating the use of the facilities of a registered clearing agency for other types of securities, such as unit investment trusts, private label collateralized mortgage obligations, synthetic stripped coupons and government securities, but concluded that it would be inadvisable to adopt such a mandate until the special pricing and processing requirements for these securities is fully understood and resolved.

⁷ 15 U.S.C. 78f(b)(5) (1988).

⁸ *Supra* note 4 and accompanying text.

⁹ 17 CFR 200.30-3(a)(12) (1994).